

Opening door for homeowners Foreclosure workshop held at city Tech High



Janice St Amand of Neighborworks Home Ownership Center, Ana Sequera of Oak Hill CDC and Thao Hoang, a Holy Cross student working this summer with United Way answer questions for people confronting mortgage foreclosures and arrange meetings with representatives from their banks. (T&G Staff / JIM COLLINS)

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By Martin Luttrell TELEGRAM & GAZETTE STAFF

mluttrell@telegram.com

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WORCESTER— Gloria Marquez sat alone at a table in the Worcester Technical High School cafeteria yesterday, glancing at a group of other homeowners while listening to instructions on how to potentially prevent a foreclosure on her property.

Ms. Marquez, 41, said she and her husband did not get a risky loan when they purchased their single-family home in Worcester two years ago.

But they became divorced and there was an illness in the family. She stopped taking college courses and is having trouble making mortgage payments and taking care of a 4-year-old son, she said.

"I don't want to lose my house," she said. "I've seen others near mine that are vacant. It's scary."

A few weeks ago, she received a letter from Gov. Deval L. Patrick inviting her to yesterday's foreclosure prevention workshop where she could meet with financial counselors and a representative from her lender. She said she was initially uneasy about attending but realized she had nothing to lose. Her spirits were improved after her one-on-session.

"I'm working with Countrywide on making lower payments," she said. "I feel a little better now. Maybe I can make it."

City and state officials mailed notices to 4,000 Central Massachusetts homeowners having trouble paying their lenders. About 250 people attended yesterday's six-hour session, the third in a series of statewide workshops connecting homeowners and lenders in hopes of heading off foreclosure.

"There's no stereotyping where they come from," said Daniel C. Crane, undersecretary of the state Office of Consumer Affairs and Business Regulation. "It's all over the place."

Mr. Crane said the state is headed for more than 10,000 foreclosures this year, up from about 7,500 in 2007.

Foreclosures are touching both big cities and small towns around the region, officials said.

From January through May, 318 properties were foreclosed upon in Worcester, up 174 percent from the same period a year ago.

Across Worcester County, the statistics are not much better. For the five-month period ending May 31, 958 foreclosures were recorded, up 136 percent from the same period last year.

Previous foreclosure prevention sessions were held in Springfield and Brockton last month. Another will be held today in Lawrence.

"We want to keep as many people in their homes as possible," Mr. Crane said.

Homeowners arrived throughout the afternoon and early evening to register and meet representatives of their lending companies, and to receive other credit information.

Scott M. Hayman, Worcester's housing director, said a collaborative approach to getting the word out and running the workshop helps homeowners overcome misgivings about acknowledging their trouble making payments.

"It's a great opportunity to break through the shame and denial," added Mr. Crane.

The red-hot real estate market of a few years ago prompted some brokers and mortgage companies to lend money to people with poor or no credit, and sometimes provided them with loans unsuitable for their income, officials said. Those variable-rate mortgages and subprime loans are cited as a large factor in the escalating foreclosure problem, along with falling home values.

As the low introductory interest rates readjust — often sharply — borrowers sometimes find that they cannot meet the higher monthly payments.

It is not only the struggling homeowner that suffers, officials said. Some areas of the city are seeing a rise in vacant, foreclosed properties that can fall into disrepair or become targets for thieves or vandals.

Amanda M. Wilson, Worcester's director of housing and health inspection, said the city is trying to keep tabs on foreclosure properties to make sure they do not affect the surrounding neighborhood.

"We're trying to get into the most vulnerable neighborhoods and give information to the houses on either side of the vacant property. We want them to let us know if there's a problem, if they see an open door, if the grass is getting high, if there's trash."

Richard L. and Deborah L. Herdendorf of Stafford Springs, Conn., bought their home in 1983, they said. They didn't get into trouble until they refinanced the property and after Mr. Herdendorf lost his job and became sick.

"We went through our savings," he said. "We were robbing Peter to pay Paul. If the oil prices didn't go up like they did, I think we would have gotten through."

They said that they met with a representative of HSBC Mortgage Corp. and worked out a schedule of lower monthly payments over the next six months, pending verification of some income documentation.

"It's a ray of hope," Mr. Herdendorf said. "We didn't have that before."